



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

North Central Bancshares, Inc.

Person to be contacted regarding this report:	David M. Bradley, CEO 515-224-9470
CPP Funds Received:	\$10,200,000
CPP Funds Repaid to Date:	\$0
Date Funded (first funding):	1/9/2009
Date Repaid ¹ :	

RSSD: (For Bank Holding Companies)	
Holding Company Docket Number: (For Thrift Holding Companies)	H2651
FDIC Certificate Number: (For Depository Institutions)	30742
City:	Fort Dodge
State:	Iowa

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	Increased lending described below.
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<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The stimulus funds supported a lower-than-market rate offered for a Consumer Loan promotion. The Bank also has an ongoing Homebuyers Stimulus program for the purchase of single-family housing and residential mortgage loans that is offered at a discounted rate.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	
<input checked="" type="checkbox"/>	Make other investments	Low Income Housing Tax Credit Investments – Iowa Fund V for \$500,000 and Greenbridge Equity Partners for \$500,000
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Allowance to Total Loans increased by 55 basis points in 2009 or \$1.8 million. Loss Provision for the year increased \$210,000 or 9.4% in 2009.

<input checked="" type="checkbox"/>	Reduce borrowings	Borrowings reduced by \$15.8 million or 19.2% in 2009.
<input checked="" type="checkbox"/>	Increase charge-offs	Loan charge-offs increased by \$311,000 or 89.4% in 2009. Additions to the Bank's Allowance in 2009 was \$2.5 million.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	Not applicable
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	Despite the capital deployment action described above, the total assets of the Company declined in 2009 resulting in stronger capital ratios.

What actions were you able to avoid because of the capital infusion of CPP funds?

The capital infusion of CPP funds allowed our Company to continue its normal operations and further support lending actions and strengthen our capital as described above.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Without the capital infusion of CPP funds, the creation of an internal Home Assistance Modification Program may not have been taken. The Home Assistance Modification Program targets borrowers in the Bank's own loan portfolio for modification assistance.

The Bank has begun building the systems and personnel infrastructure of the credit administration area to support its commitment to continue to increase lending to small businesses in each of its Iowa markets.

The Bank has a loan participation investment of \$1,000,000 for the Phase XV offering of the Neighborhood Finance Corporation, Des Moines, IA. Neighborhood Finance Corp. is a non-profit corporation that assists individuals with purchasing a home or making improvements to their homes. The Bank will participate in the origination of residential mortgages to qualified borrowers to facilitate neighborhood revitalization in Polk County, IA. Their assistance is in the way of a forgivable second mortgage – up to \$12,500. The Bank has two branches in Polk County, IA.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

All actions that our Company were able to undertake with the capital infusion of CPP funds have been described above.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.